

# NOTICE OF SPECIAL MEETING CITY COUNCIL

DATE	TIME	PLACE
APRIL 14, 2016	Immediately following Municipal Authority Meeting	COUNCIL CHAMBERS

## AGENDA

1. Call to Order
2. Roll Call
3. Consider, Discuss and Vote To: 1) Approve Emergency Ordinance No. 2016- \_\_ Amending Electric Rates, Chapter 28, Art. II, Electric, Div. 2, Secs 28-43, 28-47, 28-51, 28-55, 28-60, and 28-62, Revising the Energy Charge for All Classifications of Customers, Increasing the Energy Charge for 3 Billing Cycles [Option 3] Then Setting a Corrected Energy Charge [Option 1] After the June 30, 2016 Billing Cycle; and 2) Approving the Emergency Section, to be Effective with the April 15, 2016 Billing Cycle, And/Or Any Other Appropriate Action
4. Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Sanitation Rates as Established, And/Or Any Other Appropriate Action
5. Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Landfill Rates as Established, And/Or Any Other Appropriate Action
6. Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Water Rates as Established, And/Or Any Other Appropriate Action
7. Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Sewer Rates as Established, And/Or Any Other Appropriate Action
8. Vote to go into Executive Session

### EXECUTIVE SESSION ITEM(S):

9. Discuss the Employment, Hiring of Any Individual Salaried Public Employee, for the City Manager Position, as Authorized by Title 25 O.S.A Section 307(B)(1)
10. Consider any motions and votes relating to the Executive Session item(s).
11. Adjourn

To be completed by person filing notice:

NAME: Debbie Davis  
TITLE: City Clerk  
ADDRESS: 509 S. Main  
Altus, OK 73521  
PHONE: (580) 481-2216

Filed in the office of the City Clerk/Treasurer at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_.

Signed: \_\_\_\_\_  
Clerk/Deputy Clerk

[Published this \_\_\_\_\_ day of April, 2016.]

**EMERGENCY  
ORDINANCE NO. 2016 - \_\_\_\_\_**

AN ORDINANCE OF THE CITY OF ALTUS, OKLAHOMA, PROVIDING THAT THE CODE OF ORDINANCES, CITY OF ALTUS, OKLAHOMA, BE AMENDED BY REVISING CHAPTER 28, ARTICLE II, ELECTRIC RATES, DIVISION 2 RATES; CORRECTING THE PURCHASED POWER COST RECOMMENDATIONS FROM THE PRIME GROUP LLC-CONDUCTED ELECTRICAL RATE STUDY THAT WAS IMPLEMENTED BY PASSAGE OF ORDINANCE NO. 2015-05; REVISING SECTIONS 28-43, 28-47, 28-51, 28-55, 28-60, AND 28-62; IMPLEMENTING AN INCREASED CHARGE FOR THREE (3) BILLING CYCLES THEN TO A CORRECTED CHARGE AFTER THE JUNE 30, BILLING CYCLE; AND DECLARING AN EMERGENCY; ALL EFFECTIVE WITH THE APRIL 15, 2016 BILLING CYCLE.

WHEREAS, the Prime Group, LLC completed its Electrical Rate Study as to the rates and charges for electric utility services as provided by the City of Altus electric distribution system, and gave its presentation at the June 10, 2014 Special Meeting of the Altus Municipal Authority, with the purpose of enabling the City to provide better service to its customers, to establish rates that generate revenue to match the costs to provide electric service, and to encourage conservation and efficiency to the advantage of the City of Altus, and its customers and citizens, the City Council has determined to make certain changes therein and to adopt the rules and regulations relative thereto as hereinafter set forth; and

WHEREAS, the City Council on April 21, 2015 passed and approved Ordinance No. 2015-05 revising the rates per this Electrical Rate Study, and have realized a substantial decrease in electrical revenue because the Study did not increase the energy and/or customer charges enough to compensate for the updating of the average cost of power purchased factor of the PCA, making it necessary for the City to adopt Ordinance No. 2016-\_\_\_\_; and

WHEREAS, it is deemed by the Mayor and Council members to be in the best interest of the City of Altus, Oklahoma that certain electrical rates be amended and changed as hereinafter set forth, increasing the energy and/or customer charges for three (3) billing cycles, then implementing a corrected energy/or customer charge.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALTUS, OKLAHOMA:

Section 1. That Sections 28-43, 28-47, 28-51, 28-55, 28-60, and 28-62, of the Code of Ordinances of the City of Altus, Oklahoma shall be amended so that such sections shall read as follows:

**“Sec. 28-43. Residential electric rate schedule.**

- (a) Customer charge, per customer month ..... \$ 31.43
- (b) Energy Charge in effect from April 15, 2016 billing cycle, through the June 30, 2016 billing cycle:
  - (1) Purchased Power Charge per kWh .....~~\$0.07401~~      \$0.093770
  - (2) Distribution Delivery Charge per kWh..... \$0.01936
- (c) Energy Charge in effect after the June 30, 2016 billing cycle:
  - (1) Purchased Power Charge per kWh .....~~\$0.093770~~      \$0.08601
  - (2) Distribution Delivery Charge per kWh..... \$0.01936

**Sec. 28-47. Rate Schedule. (small commercial).**

This rate is available to a customer whose peak demand load is less than 60kW.

- (a) Customer charge, per customer per month... \$ 36.03
- (b) Energy Charge in effect from April 15, 2016 billing cycle, through the June 30, 2016 billing cycle:
  - (1) Purchased Power Charge per kWh ..... ~~\$0.07314~~      \$0.082980
  - (2) Distribution Delivery Charge per kWh..... \$0.0197
  - (3) Power cost adjustment: As provided in section 28-55 herein.
- (c) Energy Charge in effect after the June 30, 2016 billing cycle:
  - (1) Purchased Power Charge per kWh ..... ~~\$0.082980~~      \$0.07314
  - (2) Distribution Delivery Charge per kWh..... \$0.0197
  - (3) Power cost adjustment: As provided in section 28-55 herein.

**Sec. 28-51. Rate Schedule. (large commercial).**

- (a) Customer charge per customer per month.... \$ 61.53
- (b) Energy Charge in effect from April 15, 2016 billing cycle, through the June 30, billing cycle:
  - All kWh, per kWh charge..... ~~\$0.05659~~      \$0.06153
- (c) Energy Charge in effect after the June 30, 2016 billing cycle:
  - All kWh, per kWh charge..... ~~\$0.06153~~      \$0.06009

- (d) Demand (Capacity):
- (1) Purchased Power Charge per kW .....\$ 7.33
  - (2) Distribution Delivery Charge per kW.....\$ 4.26

Billing demand (capacity: The monthly billing demand shall be the greater of the current month's maximum demand, or sixty (60) percent of the highest demand occurring in the previous applicable on-peak (June through September) month during the preceding eleven (11) months.

- (e) Power cost adjustment and available rider for load curtailment: As provided in section 28-55.

**Sec. 28-55. Power cost adjustment (PCA).**

- (a) *[Use.]* As the average cost of purchase power varies from a base level of \$0.06091 per kWh, the amount calculated from the applicable rate schedule will be adjusted accordingly by the PCA formula.
- (b) *Purpose.* The purpose of the power cost adjustment (PCA) is to allow the City to automatically adjust its charges above or below the base amount of purchase power cost included in its rates.
- (c) *Applicability.* The PCA is applicable to all rates schedules available within the division. The PCA shall not be applicable to the City's Wind Power Program as provided in Section 28-13, Article I-Generally of this Chapter. Any PCA's showing negative should be billed as \$0.00.
- (d) *Adjustment formula.* Whenever the average cost of purchase power to the City rises or falls below \$.06091 per kWh, the adjustment factor to be applied to each unit of sales shall be calculated as follows:

$$PCA = (A/B - C) * D$$

Where:

A	=	Last month's total power purchase cost
B	=	Last month's total power purchased
C	=	Average cost of power purchased (\$.06091)
D	=	Ratio of power purchased to sold (1.1606)

**Sec. 28-59. Industrial level 1 rate.**

Service under this rate schedule is available to all commercial electric seasonal and non-seasonal customers for lighting and power purposes where service to unit individualities at one (1)

voltage and one (1) delivery point whose primary load or demand or whose peak demand exceeds one thousand (1,000) kW. Service will be three-phase and supplied at a nominal secondary level. The rates herein shall be applicable where the City installs, operates, and maintains at City expense all connection, protection, transformation and distribution equipment, which enables the customer to accept electric power and energy at a point common to the system of the City and apply it to the customer's particular needs.

**Sec. 28-60. Same—Rate schedule--industrial level 1**

- (a) Customer charge, per customer per month...\$ 60.29
- (b) Energy charge in effect from April 15, 2016 billing cycle, through the June 30, 2016 billing cycle:
 

All kWh, per kWh.....	\$0.03618	<u>\$0.04606</u>
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- (c) Energy Charge in effect after the June 30, 2016 billing cycle:
 

All kWh, per kWh.....	\$0.04606	<u>\$0.047780</u>
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- (d) Demand (Capacity):
 

All kW, per kW.....	\$ 10.67
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Billing demand (capacity): The monthly billing demand shall be the greater of the current month's maximum demand; or eighty (80) percent of the highest demand occurring in any previous applicable on-peak (June through September) month during the preceding eleven (11) months.

- (a) Minimum bill: The minimum monthly payment for service shall be the customer charge plus the applicable demand (capacity) charge.
- (e) Power cost adjustment as provided in section 28-55 herein.
- (f) Power factor adjustment: The customer agrees to maintain the highest practical power factor by installation of appropriate capacitors or other means. Demand charges may be adjusted to correct for average power factors lower than ninety (90) percent. When deemed necessary using the criteria set forth above, such adjustments will be made by increasing the measured demand by one (1) percent for each one (1) percent by which the average power factor is less than ninety (90) percent lagging or leading.

**Sec. 28-62. Rate Schedule. (Level 2, Industrial)**

- (a) Customer charge, per customer per month...\$ 236.50
- (b) Energy Charge in effect from April 15, 2016 billing cycle, through the June 30,

## Billing cycle:

All kWh, per kWh.....	\$0.03618	<u>\$0.04112</u>
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## (c) Energy Charge in effect after the June 30, 2016 billing cycle:

All kWh, per kWh.....	\$0.04112	<u>\$0.03868</u>
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## (d) Demand (capacity):

All kW, per kW.....	\$ 15.30
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Billing demand (capacity): Monthly billing demand shall be the greater of the current month's maximum demand; or eighty (80) percent of the highest demand occurring in any previous applicable on-peak (June through September) month during the preceding eleven (11) months.

- (d) Minimum bill: The minimum monthly payment for service shall be the customer charge plus the applicable demand (capacity) charge.
- (b) Power cost adjustment: See section 28-55 herein.
- (f) Power factor adjustment: The customer agrees to maintain the highest practical power factor by installation of appropriate capacitors or other means. Demand charges may be adjusted to correct for average power factors lower than ninety (90) percent. When deemed necessary using the criteria set forth above, such adjustments will be made by increasing the measured demand by one (1) percent for each one (1) percent by which the average power factor is less than ninety (90) percent lagging or leading. “

Section 2.     **EMERGENCY.** That an emergency is hereby declared by reason of the substantial loss in electrical revenue since the June 2015 billing cycle caused by computation implemented in the passage of Ordinance No. 2015-05, that it is necessary to immediately cut the monthly losses in revenue, whereby it is deemed to be in the best interest of the City of Altus and the inhabitants thereof, that this ordinance be effective from and after its passage and approval in the April 15, 2016 billing cycle.

Section 3.     That all ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

Section 4.     That this ordinance be published in its entirety one time in The Altus Times.

**PASSED AND APPROVED** this \_\_\_\_ day of April, 2016.

\_\_\_\_\_  
JACK SMILEY, Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
DEBBIE DAVIS, City Clerk

APPROVED as to form and legality this \_\_\_\_\_ day of April, 2016.

\_\_\_\_\_  
CATHERINE J. COKE, City Attorney

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Attachment: Electric Rates April 2016 Option 3-1 (1237 : Ordinance Increasing Electric Rates)



## Change to Average Users

**Prior to 6-1-15** = Before Ord 2015-05 (supposedly "revenue neutral") was passed

**Current** = current charges after Ord 2015-05 was passed

**April-June 2016** = Option #3 that will go in to effect for 90 days if new Ord passes

**After June 2016** = Option #1 that will go in to effect July 1, 2016 until another Ordinance is passed

### RESIDENTIAL

AVG USER MONTHLY	<u>Prior to 6-1-15</u>	<u>Current</u>	<u>April-June 2016</u>	<u>After June 2016</u>
Cust Chg	31.43	31.43	31.43	31.43
Energy Chg	72.90	78.24	94.80	88.30
Avg cost(PCA)	20.66	2.87	2.87	2.87
<b>TOTAL Average Monthly</b>	<b>125.00</b>	<b>112.54</b>	<b>129.09</b>	<b>122.59</b>

### SM COMMERCIAL

AVG USER MONTHLY	<u>Prior to 6-1-15</u>	<u>Current</u>	<u>April-June 2016</u>	<u>After June 2016</u>
Cust Chg	20.01	36.03	36.03	36.03
Energy Chg	148.00	173.85	192.36	173.85
Avg cost(PCA)	46.20	6.41	6.41	6.41
<b>TOTAL Average Monthly</b>	<b>214.21</b>	<b>216.29</b>	<b>234.80</b>	<b>216.29</b>

### LG COMMERCIAL

AVG USER MONTHLY	<u>Prior to 6-1-15</u>	<u>Current</u>	<u>April-June 2016</u>	<u>After June 2016</u>
Cust Chg	50.15	61.53	61.53	61.53
Energy Chg	1,693.39	1,916.58	2,083.88	2,035.11
Demand Chg 168	1,183.73	1,943.26	1,943.26	1,943.26
Avg cost(PCA)	835.16	115.84	115.84	115.84
<b>TOTAL Average Monthly</b>	<b>3,762.43</b>	<b>4,037.20</b>	<b>4,204.51</b>	<b>4,155.74</b>

### INDUSTRIAL 1

AVG USER MONTHLY	<u>Prior to 6-1-15</u>	<u>Current</u>	<u>April-June 2016</u>	<u>After June 2016</u>
Cust Chg	60.29	60.29	60.29	60.29
Energy Chg	8,174.88	8,215.75	10,459.30	10,849.88
Demand Chg 595	4,203.12	6,343.32	6,343.32	6,343.32
Avg cost(PCA)	5,599.69	776.71	776.71	776.71
<b>TOTAL Average Monthly</b>	<b>18,037.98</b>	<b>15,396.07</b>	<b>17,639.62</b>	<b>18,030.20</b>

### INDUSTRIAL 2

AVG USER MONTHLY	<u>Prior to 6-1-15</u>	<u>Current</u>	<u>April-June 2016</u>	<u>After June 2016</u>
Cust Chg	236.50	236.50	236.50	236.50
Energy Chg	118,759.18	112,774.46	128,172.64	120,567.06
Demand Chg 6,677	41,395.85	102,154.28	102,154.28	102,154.28
Avg cost(PCA)	76,864.80	10,661.60	10,661.60	10,661.60
<b>TOTAL Average Monthly</b>	<b>237,256.33</b>	<b>225,826.84</b>	<b>241,225.01</b>	<b>233,619.44</b>

Attachment: Option 3-1 Monthly (1237 : Ordinance Increasing Electric Rates)

Date: April 14, 2016

## **AGENDA ITEM COMMENTARY**

**ITEM TITLE:** Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Sanitation Rates as Established, And/Or Any Other Appropriate Action

**INITIATOR:**

**STAFF INFORMATION SOURCE:**

**BACKGROUND:** The City of Altus hired Olsson Associates to do a utility rate study for water, sewer, sanitation and landfill services. They presented their findings to staff in January 2016. Staff made recommendations to the Utility Rate Committee and that committee will be presenting their recommendations to the City Council during a special work session on Tuesday, April 12, 2016. This item allows the Council to vote on the rates after the work session.

**FUNDING:** N/A

**EXHIBITS:** None

**COUNCIL ACTION:** Vote to Direct Staff to Draft an Ordinance Amending Sanitation Rates as Established, And/Or Any Other Appropriate Action

**STAFF RECOMMENDATION:** Stated Council Action

Date: April 14, 2016

## **AGENDA ITEM COMMENTARY**

**ITEM TITLE:** Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Landfill Rates as Established, And/Or Any Other Appropriate Action

**INITIATOR:**

**STAFF INFORMATION SOURCE:**

**BACKGROUND:** The City of Altus hired Olsson Associates to do a utility rate study for water, sewer, sanitation and landfill services. They presented their findings to staff in January 2016. Staff made recommendations to the Utility Rate Committee and that committee will be presenting their recommendations to the City Council during a special work session on Tuesday, April 12, 2016. This item allows the Council to vote on the rates after the work session.

**FUNDING:** N/A

**EXHIBITS:** None

**COUNCIL ACTION:** Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Landfill Rates, And/Or Any Other Appropriate Action

**STAFF RECOMMENDATION:** Stated Council Action

Date: April 14, 2016

## **AGENDA ITEM COMMENTARY**

**ITEM TITLE:** Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Water Rates as Established, And/Or Any Other Appropriate Action

**INITIATOR:**

**STAFF INFORMATION SOURCE:**

**BACKGROUND:** The City of Altus hired Olsson Associates to do a utility rate study for water, sewer, sanitation and landfill services. They presented their findings to staff in January 2016. Staff made recommendations to the Utility Rate Committee and that committee will be presenting their recommendations to the City Council during a special work session on Tuesday, April 12, 2016. This item allows the Council to vote on the rates after the work session.

**FUNDING:** N/A

**EXHIBITS:** None

**COUNCIL ACTION:** Vote to Direct Staff to Draft an Ordinance Amending Water Rates as Established, And/Or Any Other Appropriate Action

**STAFF RECOMMENDATION:** Stated Council Action

Date: April 14, 2016

## **AGENDA ITEM COMMENTARY**

**ITEM TITLE:** Consider, Discuss and Vote to Direct Staff to Draft an Ordinance Amending Sewer Rates as Established, And/Or Any Other Appropriate Action

**INITIATOR:**

**STAFF INFORMATION SOURCE:**

**BACKGROUND:** The City of Altus hired Olsson Associates to do a utility rate study for water, sewer, sanitation and landfill services. They presented their findings to staff in January 2016. Staff made recommendations to the Utility Rate Committee and that committee will be presenting their recommendations to the City Council during a special work session on Tuesday, April 12, 2016. This item allows the Council to vote on the rates after the work session.

**FUNDING:** N/A

**EXHIBITS:** None

**COUNCIL ACTION:** Vote to Direct Staff to Draft an Ordinance Amending Sewer Rates as Established And/Or Any Other Appropriate Action

**STAFF RECOMMENDATION:** Stated Council Action

Date: April 14, 2016

## **AGENDA ITEM COMMENTARY**

**ITEM TITLE:** Discuss the Employment, Hiring of Any Individual Salaried Public Employee, for the City Manager Position, as Authorized by Title 25 O.S.A Section 307(B)(1)

**INITIATOR:** Dwayne Martin

**STAFF INFORMATION SOURCE:** Larry Shelton

**STAFF RECOMMENDATION:** Stated Council Action